



CITY COUNCIL

AGENDA REQUEST

AGENDA OF:	07-16-13	AGENDA REQUEST NO:	III-J
INITIATED BY:	JOE REYES, FIELD OPERATIONS MANAGER	RESPONSIBLE DEPARTMENT:	WATER UTILITIES
PRESENTED BY:	JOE REYES, FIELD OPERATIONS MANAGER	DIRECTOR:	SUELLEN STAGGS, <i>SS</i> DIRECTOR OF WATER UTILITIES
		ADDITIONAL DIRECTOR (S):	N/A
SUBJECT / PROCEEDING:	UTILITY SERVICE/REPAIR PARTS FOR CITY INFRASTRUCTURE ACCEPT LOW BID AND AUTHORIZE CONTRACT		
EXHIBITS:	SIGNED CONTRACT FROM MDN ENTERPRISES		
APPROVAL			
LEGAL:	EUGENIA A. CANO, FIRST ASST. CITY ATTORNEY <i>EAC</i>	EXECUTIVE DIRECTOR:	N/A
PURCHASING:	TODD REED, CPPB PURCHASING MANAGER <i>TR</i>	ASSISTANT CITY MANAGER:	KAREN DALY
BUDGET:	BRYAN GUINN, <i>BG</i> ASSISTANT DIRECTOR OF BUDGET & RESEARCH	CITY MANAGER:	ALLEN BOGARD <i>Allen Bogard</i>
BUDGET			
EXPENDITURE REQUIRED: \$		72,438.93	
CURRENT BUDGET: \$		72,438.93	
ADDITIONAL FUNDING: \$		N/A	
RECOMMENDED ACTION			
Authorize contract to purchase utility service/repair parts to MDN Enterprises in a maximum amount of \$72,438.93.			

EXECUTIVE SUMMARY

The Water Utilities Department is responsible for operating, maintaining, and repairing over 431 miles of the water distribution system, and 27,877 service connections. On June 20, 2013, the City received bids in response to Invitation To Bid 2013-21 Purchase of Water Parts for the City's utility infrastructure. Bidders were asked to price an assortment of water and wastewater parts used in operating and maintaining the City's Utility system. Categories were to be awarded according to cumulative pricing based on projected quantities. Based on previous history, the Water Utilities Department estimates the quantity of individual parts that will be used for 12 months and parts are broken into supply categories i.e. brass, repair clamps, etc. Quantities are estimates only and actual purchased quantities will be based on the department needs.

The purpose of this contract is to qualify one or more vendors to furnish and deliver water and sanitary sewer parts for the Water Utilities Department. The contract will be for a period of one-year with the option of four one-year mutually agreed upon extensions. Included in the supply contract are provisions for price escalations. Due to the price volatility of raw materials in most categories (stainless steel, brass, and resins for plastic), an escalation clause is necessary to protect the supplier from the manufacturer's unanticipated price increases due to market conditions and allow a direct pass-through cost to the City. If an escalation clause were not available to the supplier, the City would pay a higher price for a one-year contract to cover these exceptions. The escalation clause states, "The price for any product or service may not increase without approval by the City. Any escalation request must be submitted in writing to the City Purchasing Office and, if requested, the contractor must provide acceptable documentation supporting the request. The City reserves the right to negotiate reductions in price due to changes in market conditions at any time during any contract period."

Parts were divided into eight categories for pricing and the City has the option of award the entire contract to the lowest overall bid, or award based on categories. The Department recommends the bid be split into three separate contracts essentially awarding each category to the low bidder. MDN Enterprise's bid was lower in four categories, saddles, clamps, tubing, and meter boxes. Water Utilities has purchased parts for MDN Enterprises the last few years and has been satisfied with their ability to meet their obligations.

The Water Utilities Department recommends the City Council approve this contract with four one-year extensions of the annual supply contract for the purchase of utility service/repair parts to MDN Enterprises in the maximum amount of \$72,438.93.

	Ferguson	HD Supply	MDN
Brass	\$98,879.43	\$85,374.75	\$87,285.42
Saddles	\$16,475.30	\$12,881.10	\$12,770.72
Clamps	\$40,333.24	\$39,066.80	\$38,488.61
Tubing	\$12,164.33	\$10,707.00	\$10,010.10
Valves	\$31,561.21	\$30,520.70	\$33,058.24
PVC Fittings	\$3,229.16	\$3,737.50	\$3,524.40
Meter Boxes	\$13,454.91	\$14,162.00	\$11,169.50
Misc	\$14,252.75	\$4,328.10	\$5,034.49
Totals	\$3,229.16	\$120,223.55	\$72,438.93

**CITY OF SUGAR LAND
STANDARD CONTRACT FOR SUPPLIES**

Over \$50K - Form Revised 3/24/10

I. General Information and Terms.

Supplier's Name and Address: CPR Services & Supplies, Inc. d/b/a
MDN Enterprises
P.O. Box 1148
New Caney, TX 77357

Description of Supplies: Water Parts

Maximum Contract Amount: \$72,438.93

Effective Date: On the latest date of the dates executed by both parties.

Initial Term: This Contract begins on the later date of the parties' signatures and continues for a twelve month period.

Termination Date: (See III C)

Renewal: City Council may extend this Contract for four additional one-year terms on the same terms and conditions in this Contract, including prices in this Contract, by giving written notice of the extension to the other party at least 30 days prior to the termination date.

Contract Parts: This Contract consists of the following parts:

II. Signatures. By signing below, the parties agree to the terms of this Contract:

CITY OF SUGAR LAND

SUPPLIER:

City Manager or Assistant City Manager

By: 

Date: _____

Date: 

APPROVED AS TO FORM:

